

Federal Housing Finance Board

§ 944.1

Urban Development under section 108 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5308); and

(i) Investments and obligations issued or guaranteed under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 *et seq.*).

[65 FR 43981, July 17, 2000]

PART 944—COMMUNITY SUPPORT REQUIREMENTS

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AUTHORITY: 12 U.S.C. 1422a(a)(3)(B), 1422b(a)(1), and 1430(g).

SOURCE: 62 FR 28988, May 29, 1997, unless otherwise noted. Redesignated at 65 FR 8256, Feb. 18, 2000.

§ 944.1 Definitions.

For purposes of this part:

Act means the Federal Home Loan Bank Act, as amended (12 U.S.C. 1421, *et seq.*).

Advance has the same meaning as in § 935.1 of this chapter.

Advisory Council means the Advisory Council each Bank is required to establish pursuant to section 10(j)(11) of the Act and part 960 of this chapter.

Affordable Housing Program or *AHP* means the program each Bank is required to establish pursuant to section 10(j) of the Act and part 960 of this chapter.

Appropriate federal financial supervisory agency means the Office of the Comptroller of the Currency for national banks; the Board of Governors of the Federal Reserve System for state chartered banks that are members of the Federal Reserve System and bank holding companies; the Federal Deposit Insurance Corporation for state chartered banks and savings banks that are not members of the Federal Reserve System and the deposits of which are insured by the Federal Deposit Insur-

ance Corporation; and the Office of Thrift Supervision for savings associations the deposits of which are insured by the Federal Deposit Insurance Corporation and savings and loan holding companies.

CICA or *Community Investment Cash Advance* has the same meaning as in § 950.1 of this chapter.

Targeted community lending has the same meaning as in § 952.3 of this chapter.

CRA means the Community Reinvestment Act of 1977, as amended (12 U.S.C. 2901, *et seq.*).

CRA evaluation means the public disclosure portion of the CRA performance evaluation provided by a member's appropriate federal financial supervisory agency.

First-time homebuyer means:

(1) An individual and his or her spouse, if any, who has had no present ownership interest in a principal residence during the three-year period prior to purchase of a principal residence.

(2) A displaced homemaker who, except for owning a residence with his or her spouse or residing in a residence owned by his or her spouse, meets the requirements of paragraph (1) of this definition. For purposes of this paragraph (2) of this definition, the term *displaced homemaker* means an adult who has not worked full-time, full-year in the labor force for a number of years and, during that period, worked primarily without remuneration to care for a home and family, and currently is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

(3) A single parent who, except for owning a residence with his or her spouse or residing in a residence owned by his or her spouse, meets the requirements of paragraph (1) of this definition. For purposes of this paragraph (3) of this definition, the term *single parent* means an individual who is unmarried or legally separated from a spouse and has custody or joint custody of one or more minor children or is pregnant.

Long-term advance means an advance with a term to maturity greater than one year.

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Restriction on access to long-term advances means a member may not borrow long-term advances or renew any maturing advance for a term to maturity greater than one year.

[62 FR 28988, May 29, 1997, as amended at 63 FR 65545, Nov. 27, 1998; 65 FR 8262, Feb. 18, 2000; 65 FR 44428, July 18, 2000]

§ 944.2 Community support requirement.

(a) *Selection for community support review.* The Finance Board shall select a member for community support review approximately once every two years.

(b) *Notice*—(1) *By the Finance Board.* The Finance Board concurrently shall:

(i) Notify each Bank of the members within its district that are required to submit community support statements during the calendar quarter; and

(ii) Publish a notice in the FEDERAL REGISTER that includes the name and address of each member required to submit a community support statement during the calendar quarter, and the deadline for submission of the community support statement to the Finance Board. The deadline for submission of a community support statement shall be no earlier than 45 calendar days after the date of publication of the notice in the FEDERAL REGISTER.

(2) *By the Banks.* Within 15 calendar days of the date of publication in the FEDERAL REGISTER of the notice required by paragraph (b)(1)(ii) of this section, a Bank shall provide written notice:

(i) To each member within its district that is named in the FEDERAL REGISTER notice, that the member is required to submit a community support statement to the Finance Board by the deadline stated in the FEDERAL REGISTER notice; and

(ii) Its Advisory Council and non-profit housing developers, community groups, and other interested parties in its district of the name and address of each member within its district that is required to submit a community support statement during the calendar quarter.

(c) *Required documents.* Each member selected for community support review shall submit a completed Community Support Statement Form executed by an appropriate senior officer to the Fi-

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nance Board and any other information the Finance Board may require to determine whether a member meets the community support standards.

(d) *Public comments.* In reviewing a member for compliance with the community support requirement, the Finance Board shall take into consideration any public comments it has received concerning the member.

(The Office of Management and Budget has approved the information collection contained in this section and assigned control number 3069-0003 with an expiration date of January 31, 2003.)

[62 FR 28988, May 29, 1997, as amended at 65 FR 5739, Feb. 7, 2000]

§ 944.3 Community support standards.

(a) *In general.* In reviewing a community support statement, the Finance Board shall take into account a member's performance under the CRA if the member is subject to the requirements of the CRA, and the member's record of lending to first-time homebuyers.

(b) *CRA standard*—(1) *Adequate performance.* A member that is subject to the requirements of the CRA shall be deemed to meet the CRA standard if the rating in the member's most recent CRA evaluation is "outstanding" or "satisfactory."

(2) *Probationary performance.* A member that is subject to the requirements of the CRA shall be subject to a probationary period if the rating in the member's most recent CRA evaluation is "needs to improve." The probationary period shall extend until the member's appropriate federal financial supervisory agency completes its next CRA evaluation and issues a rating. The member will be eligible to receive long-term advances during the probationary period. If the member does not meet the CRA standard at the end of the probationary period, the Finance Board shall restrict the member's access to long-term advances in accordance with § 944.5.

(3) *Inadequate performance.* A member's access to long-term advances shall be restricted in accordance with § 944.5 if the rating in the member's most recent CRA evaluation is "substantial noncompliance."

(c) *First-time homebuyer standard*—(1) *Adequate performance.* In the absence of